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**FISCAL IMPACT STATEMENT**

**LS 7067**

**BILL NUMBER:** HB 1417

**NOTE PREPARED:** Feb 16, 2011

**BILL AMENDED:** Feb 15, 2011

**SUBJECT:** Flexibility in use of school funds.

**FIRST AUTHOR:** Rep. McNamara

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill provides that the school capital projects fund may be used for utilities and insurance until 2014. It clarifies that 3.5% of the school corporation's 2005 distribution is the maximum amount of expenditures for utilities and insurance that may be paid from the capital project fund in a calendar year.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) The maximum amount that of CPF funding that can be used for paying the costs of insurance and utilities is about \$204.5 M each year. Currently this provision is only valid through CY 2011. In CY 2009 school expenditures from CPF for utilities and property insurance was about \$185.7 M. This bill would allow schools to use 3.5% of these funds for CY 2012 and 2013 for insurance and utilities costs.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Local Schools.

**Information Sources:** Department of Education Databases.

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